State Of California The Resources Agency of California

Memorandum

Date: May 4, 2001
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File: 01-AFC-1

To: Commissioner Authur H. Rosenfeld, Presiding Member
Commissioner, Michal C. Moore, Associate Member

From: California Energy Commission - Lance Shaw.
1516 Ninth Street
Sacramento, CA 95814-5512
Siting Project Manager

Subject: **RIO LINDA/ELVERTA POWER PROJECT (01-AFC-1) ISSUES IDENTIFICATION REPORT**

Attached is the staff's Issues Identification Report for the Rio Linda/Elverta Power Project proposal (01-AFC-1). This report serves as a preliminary scoping document that identifies the issues that the Energy Commission staff believes will require careful attention and consideration. Energy Commission staff will present the issues report at the Siting Committee's scheduled Informational Hearing on May 16, 2001, at the Rio Linda Community United Methodist Church at 6800 6th Street, Rio Linda, California.

cc: Docket (01-AFC-1)
Proof of Service List

Attachment

LS:is Rio Linda Issues Report

RIO LINDA/ELVERTA POWER PROJECT

(01-AFC-1)

May 16, 2001

ISSUES IDENTIFICATION REPORT

CALIFORNIA ENERGY COMMISSION

Energy Facilities Siting and Environmental Protection Division

ISSUE IDENTIFICATION REPORT
RIO LINDA/ELVERTA POWER PROJECT
(01-AFC-1)

Table of Contents

ISSUES IDENTIFICATION REPORT

California Energy Commission Staff

This report has been prepared by the California Energy Commission staff to inform the Committee and all interested parties of the potential issues that have been identified in the case thus far. These issues have been identified as a result of our discussions with federal, state, and local agencies, and our review of the Rio Linda/Elverta Power Project Application for Certification (AFC), Docket Number 01-AFC-1. The Issues Identification Report contains a project description and a summary of potentially significant environmental issues. The staff will address the status of issues and progress towards their resolution in periodic status reports to the Committee.

PROJECT DESCRIPTION

On February 2, 2001, FPL Energy Sacramento Power, LLC (FPLESP), filed an Application for Certification (AFC) seeking approval from the California Energy Commission to construct and operate the Rio Linda/Elverta Power Project (RLEPP) in the community of Rio Linda. The power plant will be a natural gas-fired, combined cycle electric generation facility.

As proposed, the Rio Linda/Elverta Power Project is a nominal 560-megawatt (MW), natural gas-fired combined cycle power plant. The applicant's proposed site is located on a 90-acre parcel. The site is in Section 19, Township 10 North, Range 5 East, Rio Linda, Sacramento County, approximately 7 miles east of the Sacramento International Airport on four parcels.

The main power facilities for the project will occupy about 18.2 acres within the 90-acre project site, and will contain the power plant and switchyard. Natural gas will be supplied to the project via a new pipeline of approximately 20.1 miles long. The connecting pipeline will be 16 to 20 inches in diameter, will be run westward to the community of Yolo, and will be owned and operated by the Pacific Gas and Electric Company (PG&E).

Water for the proposed plant will be provided by Rio Linda/Elverta Community Water District (RLECWD) as stated in the Conditional Will-Serve letter. The water supplied by RLECWD meets regulatory standards for safe drinking water. Water requirements amount to approximately 2,785 acre-feet per year. The water will be conveyed via a 700-foot long, 16-inch diameter water pipeline extending from the power plant to West 6th Street where the service will be provided by RLECWD. The project will incorporate a zero discharge system designed to eliminate off-site disposal of wastewater. Plant wastewater will be discharged to a small evaporator. "Sanitary" wastewater from sinks and basins will be discharged to a septic system with leach fields. A raw water/ firewater storage tank with a capacity of 1,500,000 gallons will be installed on site. This tank will also serve as a backup water supply sufficient to cover an 8-hour interruption of water supplied to the power plant at summer peak conditions.

The interconnection with the existing Western Area Power Administration (Western) transmission system will be at an on-site switchyard. Western's Elverta-Hurley 230 kV transmission lines crosses the northwest corner or the proposed project site and this line will be looped into the on-site switchyard. Western has conducted both a System Impact Study and a Detailed Facility Interconnection Study for the proposed interconnection. The studies identified several line loadings that are aggravated by the addition of the plant. These will be mitigated by reconductoring and replacing transmission towers on a 3.5 mile section of the Hedge-Proctor transmission line in Southern Sacramento County.

The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA) and Western is the lead agency under the National Environmental Policy Act (NEPA). Western and the Energy Commission are doing a joint NEPA/ CEQA review.

A new 24-foot wide paved road (plus 4-foot shoulders) extending Sorento Road to the power plant site will be required. The length of the new road will be about 3,600 feet.

The project is estimated to have a capital cost of between $360 - 380 million. The applicant plans to complete construction and start operation of the combined-cycle unit in 2004. During construction, up to approximately 400 construction jobs will be created over the approximately 20-month construction schedule. A permanent professional workforce of approximately 19 people will operate the plant.

POTENTIAL MAJOR ISSUES

This portion of the report contains a discussion of the potential issues the Energy Commission staff has identified to date. The Committee should be aware that this report might not include all of the significant issues that may arise during the case. Discovery is not yet complete, and other parties have not had an opportunity to identify their concerns. The identification of the potential issues contained in this report is based on our judgement, and comments from other government agencies regarding whether any of the following circumstances will occur:

- Potential significant impacts which may be difficult to mitigate;
- Potential areas of noncompliance with applicable laws, ordinances, regulations or standards (LORS);
- Areas of conflict or potential conflict between the parties; or
- Areas where resolution may be difficult or may affect the schedule.

The following table lists all the subject areas evaluated and notes those areas where critical or significant issues have been identified. Even though an area is identified as having no potential issues, it does not mean that an issue will not arise related to the subject area. For example, disagreements regarding the appropriate conditions of certification may arise between staff and applicant that will require discussion at workshops or even subsequent hearings.

Major Issue	Subject Area	Major Issue	Subject Area
Yes	Air Quality	No	Paleontological Resources
No	Biological Resources	No	Public Health
No	Cultural Resources	No	Socioeconomics
No	Efficiency and Reliability	No	Soils
No	Electromagnetic Fields & Health Effects	No	Traffic and Transportation
No	Facility Design	No	Transmission Line Safety
No	Geology	No	Transmission System Engineering
No	Hazardous Materials	Yes	Visual Resources
No	Industrial Safety and Fire Protection	No	Waste
No	Land Use	Yes	Water Resources
No	Project Overview	No	Alternatives
No	Noise		

This report does not limit the scope of staff's analysis throughout this proceeding, but acts to aid in the analysis of potentially significant issues that the FPLESP proposal poses. The following discussion summarizes each potential issue, identifies the parties needed to resolve the issue, and where applicable, suggests a process for achieving resolution.

AIR QUALITY ISSUES

FPLESP submitted a complicated package of stationary and agricultural burning offsets. The offsets are located in the Sacramento Valley air basin, but about half are located outside the Sacramento air district in the Feather, Placer or Yolo-Solano air districts. Therefore, the offset package, while tentative and incomplete in some quarters of the year, will require effort and time to sort out the following significant issues.

Air districts are reconsidering inter-district transfers. Concerns are being raised in air districts throughout California concerning the cost of allowing indigenous assets such as banked emission reduction credits (ERCs) and offsets to be depleted for development outside the district. To date, only the South Coast district has placed an explicit moratorium on inter-district transfers of ERCs. However, Feather, Sacramento, Placer and Yolo-Solano air districts have, or are currently considering, limiting inter-district intra-basin ERC and offset transfers.

ERCs and offsets from the agricultural sector have always been difficult to quantify and verify. This stems from reliance on sources that are often unpermitted (i.e., lacking historical records) or subject to wide seasonal variations. The applicant's reliance on numerous agricultural offsets will require significant effort by FPLESP, the air districts, California Air Resources Board (CARB), and the United States Environmental Protection Agency (USEPA) to identify and resolve any offset problems with respect to credits being real, quantifiable, surplus, permanent, and enforceable.

The details of the offset package are appropriately confidential, given the status of purchase and option negotiations. However, the details of the offsets will have to be released in the Preliminary Determination of Compliance (PDOC) and the preliminary staff assessment (PSA). Given the complexity and potential controversy, there will need to be enough time to pull together a complete package by the issuance of the PDOC/PSA.

The applicant is aware of the efforts required to build a complete offset package and is already working with the appropriate agencies. The agencies have initiated discussions on these issues. Staff believes that the issues can be resolved, however, the issues have a significant potential to delay the licensing schedule.

VISUAL RESOURCES

The proposed power plant may cause significant visual impacts due to visible water vapor plumes from both the cooling tower and heat recovery steam generator (HRSG) stacks. Information presented in the AFC indicates that plumes from the cooling tower would be visible at virtually all times during the plant's operation. Plumes up to 120 feet in height could occur 75% of the time and some plumes as high as 1,200 feet could be produced at other times. Such plumes would be a dominant element in views of the project site for long distances and may constitute a significant visual impact. The applicant has not proposed mitigation for these potential impacts. Visual impacts due to water vapor plumes from HRSG stacks and cooling towers can be mitigated with existing technology. Staff will work with the applicant to develop appropriate mitigation through data requests, an issue workshop, and resulting conditions of certification.

The proposed project will be visible from a substantial number of residences and by horseback riders in the vicinity of the project site. The AFC has identified that the visual impacts for views from some residences would be significant. The AFC also indicates that these significant visual impacts would be mitigated to less than significant levels by landscaping. However, the landscape plan has not been provided and visual simulations showing landscape treatment as mitigation also have not been provided. Staff will need to receive this information in order to conduct its visual analysis. Staff will work with the applicant to develop appropriate mitigation through data requests, an issue workshop, and resulting conditions of certification.

WATER RESOURCES

As proposed, the Rio Linda/Elverta Power Project will use groundwater to meet its need for an average of 2,823 acre-feet of water a year. A minimum of three new wells will be constructed and operated by the Rio Linda/Elverta Water District to meet this need. Serving the proposed project will nearly double the district's existing average annual demand. In addition to the district's facilities, many private wells serve the area's demands. Groundwater levels have declined in the area over the last several decades and are expected to continue to decline because of increased groundwater pumping. In the vicinity (southeast) of the proposed project, there is also the McClellan Air Force Base contaminant plume extending 390 feet below the ground surface and generally flowing in

the south-southwesterly direction (RLECWD Water Master Plan, November 2000). Additional pumping for the proposed project may result in localized impacts such as reducing water levels in neighboring wells or adverse affects on the migration of the McClellan Air Force Base contaminant plume.

Staff will be working closely with the applicant, local and state agencies to resolve these issues.